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TAGS: [ECON](#) [KMDR](#) [KPAO](#) [PGOV](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)
SUBJECT: Santiago Sept. 10 Media Report

Lead

¶1. A former Air Force officer stated that his brigade had paid approximately US\$3 million

to purchase spare parts for helicopters that were never received and for maintenance services that were never conducted. An investigation was opened for misuse of state funds (La Tercera, 9/10).

U.S.-Related News

¶2. Presidents, ministers, and business experts from 34 countries will participate in the Americas Competitiveness Forum in Santiago from September 27-29. U.S. Secretary of Commerce Locke will be among the participants. It will be his first time in Chile (Financial daily Diario Financiero, 9/10).

¶3. President Bachelet will inaugurate today the 2009 Annual Progressive Summit at the Crowne Plaza Hotel. The summit is organized by Fundacion Chile 21 with the support of the Friedrich Ebert, Pablo Iglesias, and Jean Jaures foundations, and the U.S. Embassy in Santiago (Government-owned, La Nacion, , 9/10).

¶4. The National Geographic Foundation will finance research conducted by the Catholic University of Tarapaca to determine the types of species and the ecosystem that existed 11,000 years ago along 400 kilometers of Chile's northern coast (Conservative, independent, La Tercera, 9/10).

Regional Affairs

¶5. In a forum organized by Telmex Foundation, former Chilean President Ricardo Lagos urged Latin America to join efforts to

"speak with just once voice," in the international context on issues such as climate change, immigration, the fight against narcotics trafficking, and terrorism. He said that the region needs this "one voice" to assure its input on the future rules that will guide globalization. Lagos also criticized Hugo Chavez for his recent policies regarding the press. "A basic rule of democracy is to accept freedom of expression," said Lagos (La Nacion, 9/10).

Copper Law

¶16. The new draft bill to finance the Armed Forces does not include a base budget, which means that the defense budget will be discussed in Congress as part of the annual budget. However, once approved by Congress the budget immediately becomes a direct public debt (La Tercera, 9/10).

¶17. The Commanders-in-Chief of the Armed Forces were unhappy with the draft bill of the new mechanism to finance the military, because it does not set a base budget. This means that Congress will have to discuss the defense budget annually, which according to the military increases the risk of politicizing military

acquisitions (La Tercera, 9/10).

Chile-Economy

¶18. The International Monetary Fund, IMF, made a positive assessment of the cautious policy and fiscal stimulus plans applied by Chile during the global financial crisis. It also suggested Chile to maintain these stimulus plans until the end of 2010 (La Tercera, 9/10).

¶19. Chilean salmon exports to the United States dropped 25 percent compared to the first semester of 2008. Canada has become the main U.S. supplier. Norway increased its exports to the United States by 234 percent (La Tercera, 9/10).

Digital Television

¶10. Chile is one of the few countries in Latin America that has not yet chosen a digital television standard on which to operate. However, it could begin airing high definition digital television immediately and the majority of homes would be able to receive the transmission, if the government were to choose the U.S. ATSC standard, said Red Television Engineering and Operations Manager Marcelo Pandolfo. The reason is that most television sets sold in department stores are equipped with the American standard, he said. But rumors are that the government is considering the Japanese standard because it can provide a wider range of services, said Catholic University Communications Deputy Director Sergio Godoy. The standard that other countries in the region have chosen will also weigh in Chile's eventual decision, said TV Channel 13 Engineering and Operations Manager Carlos Daza (Diario Financiero, 9/10).

Terrorism

¶11. A bomb placed in a vehicle parked outside a Carabineros police cafeteria in downtown Santiago detonated at 9 p.m. One policeman suffered hearing loss and the facility suffered minor damages. Six policemen were at the facility when the bomb detonated. No pamphlets were found (La Tercera, 9/10).

Local Politics

¶12. The National Press Association has organized a presidential debate on November 9 in Talca for the directors of all regional newspapers (La Tercera, 9/10).

IPR

¶13. Maria Angelica Sanchez, vice president of the Pharmaceutical Laboratories Industrial Association, Asilfa, supports the request filed by laboratory Bago requesting information on five products produced by foreign laboratories. Sanchez said this is a matter of bio-equivalency, "to prove that a product is equivalent in its

effect," which is a method commonly used among local laboratories (Business daily Estrategia, 9/10).

SIMONS